THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) and (c). A Statement is enclosed. Assurance has been fulfilled on 8.2.92.

STATEMENT

No request as per the contents of part (a) of the question was received till Oct., 1991. However, during Nov., 1991 a request was received from M/s. Pepsi Foods, in the Ministry of Food Processing to amend the Export Obligation to an absolute export of Rs. 400 crores over a period of 10 years instead of the existing obligation of 50% of its turnover. The matter is under their examination.

No import permission has been granted to M/s. Pepse Foods Pvt. Ltd. to import ingredients for the manufacture of soft drink concentrates by this office. M/s. Pepsi Foods have also confirmed that they have not imported any ingredients for the manufacture of soft drink concentrates and all ingredients are bought locally.

Interest Rates in Banks

1653. SHRI ARVIND TRIVEDI:
SHRI SIMON MARANDI:
SHRI GURUDAS KAMAT:

Will the Minister of FINANCE be pleased to state:

(a) the present rate of interest prescribed for various nationalised banks;

(b) whether many industrial institutions have demanded to modify the present policy regarding rate of interest;

(c) if so, the details thereof; and

(d) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The lending and deposits rates applicable to Scheduled Commercial Banks with effect from 2nd March 1992 are given in the Statement.

(b) to (d). Reserve Bank of India (RBI) has reported that number of representations have been received by them regarding the hike in lending rates and their impact on production. In this connection, it may be stated that with effect from 2nd March 1992 the lending rate on credit limits of over Rs. 2 lakhs has been reduced by one percentage point, from 20% (minimum) to 19% (minimum) and the banks have already been advised to reduce the rates for all borrowers under this category by a minimum of one percentage point over the rates charged to such borrowers before 2nd March 1992.

STATEMENT

1. Size of Limit	*Rate of interest (%per annum)*
(a) Upto and inclusive of Rs. 7500/-	11.5
(b) Over Rs. 7500/- and upto Rs. 15000/-	13.0
(c) Over Rs. 15000/- and upto Rs. 25000/-	13.5
(d) Over Rs. 25000/- and upto Rs. 50000/-	15.5
(e) Over Rs. 50000/- and upto Rs. 2 lakhs	16.5

1. *Size of Limit*	*Rate of interest (%per annum)*
(f) Over Rs. 2 lakhs	19.0 (Minimum)
2. Lending rate for commodities coming within the purview of Selective Credit Control (SSC)	
Loans/Advances/Cash Credit/Overdrafts ageainst commodities subject to SCC	19.0 (Minimum)
3. *Export Credit*	
(1) *Pre-shipment credit*	
(i) (a) Upto 180 days	15.0
(b) Beyond 180 days and upto 270 days (with the prior approval of the Reserve Bank of India)	17.0
(ii) Against incentives receivable from Government covered by ECGC guarantee (upto 90 days)	15.0
(20) *Post-shipment credit*	
(i) Demand bills for transit period (as specified by FEDAI)	15.0
(ii) *Usance Bills*	
(For total period comprising usance period of export bills, transit period, as specified by FEDAI, and grace period wherever applicable)	15.0
(a) Upto 90 days	15.0
(b) Beyond 90 days and upto six months from date of shipment	19.0
(iii) Beyond six months from date of shipment	24.0
(iv) Against incentives receivable from Government covered by ECGC Guarantee (upto 90 days)	15.0
(v) Against undrawn balance (upto 90 days	15.0
(vi) Against retention money (for supplies portion only) payble within one year from the date of shipment (upto 90 days)	15.0

1. *Size of Limit*	*Rate of Interest (%per annum)*
(3) *Deferred Credit*	
Deferred Credit for the period beyond 180 days	15.0
(4) *Export Credit not otherwise specified*	19.0 (Minimum)
(5) *Post shipment Export Credit denomination in US Dollars*	
(i) Demand Bills for transit period (as specified by FEDAI)	6.5
(ii) USANCE bills (for total period comprising usance period of export bills, transit period, as specified by FEDAI and grace period wherever applicable) upto six months from date of shipment	6.5
4. DRI advances	4.0

5. The above structure of lending rates will apply to both working capital and term loans.

6. For term loans to agriculture, small scale industry and transport operators upto two vehicles, the following rates will apply:

Size of limit	*Rate of interest(% p.a..)*
(i) Over Rs. 25000/- and upto Rs. 50000/-	14.0
(ii) Over Rs. 50000/- and upto Rs. 2 lakhs	15.0
(iii) Over Rs. 2 lakhs	15.0 (Minimum)

7. The effective interest rate on discounting of bills foor borrowers in the category of 19.0 per cent (minimum) will be one percentage point below the lending rate charged to borrowers in this category and as such the effect interest rate on discounting of bills of exchange for such category of borrowers shall be 18.0 per cent (minimum).

8. Finance granted to intermediary agencies (includig those for housing) for on lending to ultimate beneficiaries and agencies providing input support	A fixed rate of 16.0 per cent per annum i.e. 3.0 percentage point below the minimum rate applicable for credit limits in the category of advance over Rs. 2 lakhs.
9. Advance to Discount & Finance House of India Ltd.	19.0 p.a. (minimum)

10.	(i) Loans for purchase of consumer durables (ii) Loans to individuals against shares and debentures/bonds (iii) Other non-priority sector personal loans	Banks are free to determine the rate

Note: Where short-term loans are routed through PACS/LAMPS/FSS the rates of interest to be charged by banks to the PACS/LAMPS/FSS shall be 2.5 percentage points lower than the rates to the ultimate borrowers indicated in item 1 above for the respective size of the limit.

Rate of interest on deposits applicable with effect from 9th October, 1991

(Excluding FCNR/NRE Deposits)

(Per cent per annum)

	Category of Account	
(i)	Current	Nil
(ii)	Saving	5.0
(iii)	*Term Deposits*	
(a)	46 days to less than one year	11.0
(b)	One year to less than three years	12.0
(c)	Three years and above	13.0

[*Translation*]

Income tax Raids on Coal Traders

1654. SHRI SIMON MARANDI: Will the Minister of FINANCE be pleased to state:

(a) whether raids were conducted by the Income Tax Department during January and February, 1992 on coal traders in Bihar and West Bengal to unearth the black money;

(b) if so, the establishments in Patna, Dhanbad, Bokaro, Calcutta and Ranchi which were raided; and

(c) the details of black money and incriminating documents recovered during these raids?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c). The following business concerns of the Sanwar Mal Poddar Group located at Dhanbad and Bokaro were searched:-

(i) M/s Basudha Udyog, Bokaro.

(ii) M/s Bajrangbali Metal Industries, Dhanbad.

(iii) M/s Anjani Briquette Industries, Dhanbad.

(iv) M/s Kalimata Trading Company, Dhanbad.

The searches resulted in the seizure of cash of Rs. 1.39 lakhs and other valuables worth Rs. 2.37 lakhs, apart from books of account and documents.

[*English*]

One-Rank One-Penson

1655. SHRI ANAND RATNA MAURYA:
SHRI PAWAN KUMA BANSAL:
SHRIMATI GEETA MUKHERJEE: